

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7291

BILL NUMBER: HB 1627

NOTE PREPARED: Jan 8, 2015

BILL AMENDED:

SUBJECT: Indiana University - Purdue University Fort Wayne as a Metropolitan Campus.

FIRST AUTHOR: Rep. Morris

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill defines "metropolitan campus". It requires the Commission for Higher Education to designate Indiana University - Purdue University Fort Wayne as a metropolitan campus.

The bill requires that a governance agreement or an operational contract for a metropolitan campus must contain certain provisions, and provides that a metropolitan campus is eligible for high-impact degree funding.

Effective Date: July 1, 2015.

Explanation of State Expenditures: There is no fiscal impact in defining the term metropolitan campus and designating Indiana University - Purdue University Fort Wayne as a metropolitan campus.

The bill requires the operating agreement to contain language that the metropolitan campus may award doctoral degrees and that Purdue University request a separate appropriation for the metropolitan campus. The metropolitan campus could award doctoral degrees within their current revenue stream of tuition and state revenue, so the impact should be minor. The requirement that the appropriation for the metropolitan campus be separate from other regional campuses should have no fiscal impact.

Allowing the metropolitan campus to qualify for high-impact degree funding under the higher education performance model could increase state expenditures depending on the number of high-impact degrees granted by the metropolitan campus. If the experience for the metropolitan campus was similar to the experience of Ball State University, the impact would be to increase state cost by about \$635,000 annually.

Additional Information: The higher education performance formula uses a 3-year rolling average to compare the growth in certain metrics biennially. The high-impact degree metric compares the increase of STEM (Science, Technology, Engineering, and Mathematics) degrees awarded by the campus. Currently, Indiana University- Bloomington campus, Purdue University- West Lafayette campus, Indiana University - Purdue University Indianapolis, and Ball State University qualify for high-impact degree funding for FY 2016 and FY 2017. The growth in STEM bachelor degrees for FY 2016 is funded at \$14,578, master degrees at \$10,205, and doctoral degrees at \$5,102 for each additional degree awarded.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Commission for Higher Education; Indiana University - Purdue University Fort Wayne, Purdue University.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.